

## **WAIVERS FROM COMPLIANCE WITH THE HONG KONG LISTING RULES**

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules:

### **MANAGEMENT PRESENCE**

Rule 8.12 of the Hong Kong Listing Rules requires that a new applicant applying for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since our principal business operations and manufacturing facilities are primarily located in China, our executive Directors and senior management members are and will continue to be based in China. At present, Mr. Ng Chi Kit, our company secretary, is ordinarily resident in Hong Kong and none of our executive Directors is ordinarily resident in Hong Kong. We have applied to the Hong Kong Stock Exchange for, and obtained, a waiver from strict compliance with the requirements under Rule 8.12 of the Hong Kong Listing Rules. For details of such waiver, please see the paragraph headed “Management Presence in Hong Kong” under the section headed “Directors, Senior Management and Employees” in this prospectus.

### **NON-EXEMPTED CONTINUING CONNECTED TRANSACTIONS**

Chaowei Power, a subsidiary of our Group, has entered into certain transactions, which would constitute non-exempt continuing connected transactions for the purpose of the Hong Kong Listing Rules after the Listing. Pursuant to Rule 14A.42(3) of the Hong Kong Listing Rules, we have applied to the Hong Kong Stock Exchange for, and obtained, a waiver from strict compliance with the announcements and independent Shareholders’ approval requirements set out in Chapter 14A of the Hong Kong Listing Rules. For details of such non-exempt continuing connected transactions and the waiver, please see the section headed “Connected Transactions” in this prospectus.